



Office of the
Inspector General
Commonwealth of Massachusetts

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**The Virtual Gateway:
MassHealth and Uncompensated
Care Pool Web-based Data Intake
and Eligibility Determination
System**

Review and Evaluation

**Third Report to the House and Senate
Committees on Ways and Means**

March 2006

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Executive Summary

As part of the continuing audit of the Uncompensated Care Pool and free care practices and expenditures in the state, the Office of the Inspector General has reviewed the effectiveness and impact of the Virtual Gateway System. The Virtual Gateway is the internet based electronic data intake system, which has automated the eligibility assessment for applicants of MassHealth, the Uncompensated Care Pool and other benefits programs.

Responding to legislative mandates to improve access and quality of health and human services to the public, the Virtual Gateway was designed to:

- Improve access to Health and Human Services programs and services through a central registry and catalog of available programs;
- Assure the coordination and quality of services by determining eligibility and directing individuals to the appropriate programs;
- Promote economy and efficiency and improve service delivery by utilizing electronic enrollment to ensure complete and accurate applications and faster eligibility determinations; and
- Maximize federal financial participation by identifying the appropriate federally supported programs which match each individual's needs and qualifications.

The Virtual Gateway has been operational and in use by hospitals, community health centers and other providers for over 16 months. As a result of a well designed system phase-in and statewide training program, acceptance by the stakeholders has been universally positive, with many providers indicating a high degree of satisfaction with the improved system. The current Virtual Gateway system requires that certified MassHealth providers participate in the eligibility application process by assisting clients to electronically apply for coverage and manually process signature pages and income verification to MassHealth. Statistics have indicated a significant increase in enrollment in MassHealth, a decrease in the growth rate of admissions to the Uncompensated Care Pool, and a reduction of processing time for eligibility and enrollment in MassHealth programs. Prior to the standardized eligibility determination process used by the Virtual Gateway, providers themselves made individual eligibility determinations for Uncompensated Care Pool candidates.

The information gathered from the broad group of stakeholders, information system design and benefits consultants, and state officials, along with the analysis performed by the Office of the Inspector General, have led to the following recommendations for improvement of the Virtual Gateway to support and enhance the system to become more effective, economical, accessible and practical. The recommendations include:

- 1. Expanding the capability of the Virtual Gateway system to allow providers to process client eligibility redetermination applications and update changes in client information;**
- 2. Allowing authorized providers to track client eligibility status;**

- 3. Accepting electronic data for client signatures and income verification information;**
- 4. Providing electronic notification to providers of client eligibility status, MassHealth benefit termination and upcoming annual enrollment renewal dates;**
- 5. Expanding direct access for client/applicants to the Virtual Gateway common intake tools and application for self enrollment;**
- 6. Resolving issues concerning Regional MassHealth Enrollment Centers' staffing shortages, and communication and follow-up delays affecting eligibility determinations; and**
- 7. Analyzing the impact that the Virtual Gateway's standardized Uncompensated Care Pool eligibility determinations have had on hospital practices to utilize the Emergency Bad Debt Expense category for ineligible uninsured individuals.**

For the Executive Office of Health and Human Services to maintain the good will, widespread support and practical usefulness of the Virtual Gateway system from the stakeholders, these recommendations should become a priority in any upgrade or expansion of the Virtual Gateway system. Further, the Executive Office of Health and Human Services and MassHealth should utilize established communication channels and maintain user groups to inform providers about changes to the Virtual Gateway which have already occurred or are being planned. Often, the perception among stakeholders is based only on an awareness of past problems, which may have already been addressed.

Introduction

This is the third in a series of reports produced by the Office of the Inspector General, involving the review and audit of the Uncompensated Care Pool and its impact on free care practices in all Massachusetts hospitals. The first report, published in June 2005, profiled the users of the Uncompensated Care Pool, including employed individuals who sought free care because they did not have health insurance from their employers. The second report, published in November 2005, provided a comprehensive review of pool administrative oversight issues, hospital billing practices, utilization controls, enrollment practices and the effect of inadequate Medicaid payments and cost shifting onto uncompensated care costs.

The subject of this particular study is the state's Virtual Gateway system, the Internet based electronic data intake and eligibility determination system utilized for MassHealth programs and the Uncompensated Care Pool. The system has now been in use by hospitals and community health centers for 16 months. The Office of the Inspector General's Uncompensated Care Pool Audit Unit sought to assess the effectiveness of the Virtual Gateway system in facilitating access and enrollment of eligible uninsured individuals into MassHealth or the Uncompensated Care Pool. Additionally, it was the Inspector General's intent to evaluate if hospitals and other providers were able to effectively utilize the system and, through their more active participation, improve the accuracy and speed of the eligibility determination process for access to healthcare services for the uninsured.

Members of the Inspector General's staff were trained on the use of the Virtual Gateway, reviewed the development and current structure of the system, gathered data and input from the field on the functionality of the system, and discussed the effectiveness and utility of the Virtual Gateway system with individuals from the provider, payer, regulator, health policy, and client communities. Staff reviewed and analyzed reports that evaluated the impact of the Virtual Gateway system on providers and clients in communities around the Commonwealth. This study also addresses the results of the most immediate planned impact of the Virtual Gateway system, which is to facilitate more timely and accurate eligibility determination of uninsured individuals for MassHealth enrollment, other state benefit programs, and for participation in the Uncompensated Care Pool, in an automated, standardized format, primarily for clients who are under 65 years old.

Background

Prior to the Virtual Gateway system, eligibility determination and enrollment of uninsured individuals in MassHealth and other health and human service programs were primarily processed manually through a written Medical Benefit Request (MBR) form application filled out by the individual or family unit applicant and mailed to the Central Processing Unit in Charlestown. Many times this would take weeks, if not months, to process applications, mainly due to applicant delays and mistakes, time delays to verify information, as well as periodic processing problems with the state. Providers indicated that delays in verifying eligibility and enrollment in MassHealth programs made it extremely difficult for uninsured individuals to access care, and for providers to render

care, without knowing if the patient was eligible for coverage by the state. Also, prior to the Virtual Gateway system, providers were directly responsible for making eligibility determinations for individuals for the Uncompensated Care Pool, which led to inconsistent application of eligibility criteria and income verification efforts.

The Commonwealth of Massachusetts' Virtual Gateway system is a Web-based portal providing access for providers, consumers and government, containing information involving screening and referral, intake, eligibility and enrollment, electronic payment, invoicing, purchase of services and catalogues involving health and human services programs and services. Established to provide a single point of entry to the Department of Health and Human Services for clients and providers to standardize review and improve the quality and access to state benefits, the Virtual Gateway began operations in the fall of 2004. The system also provides a data base of client information which is accessible to state officials and providers in remote locations, enabling MassHealth staff to streamline processing of eligibility, enrollment and covered benefits, and to enable more timely communications with providers and clients.

Refinements are constantly occurring in the Virtual Gateway system to expand its applications to other Department of Health and Human Services programs and to broaden functionality in existing areas.

Development

The development of the Virtual Gateway system was part of the administration's eGovernment initiative to provide a new way to access Department of Health and Human Services program and benefits. Responding to legislative mandates to improve access and quality of health and human services to the public, the Virtual Gateway was designed to:

- Improve access to Department of Health and Human Services programs and services through a central registry and catalog of available programs;
- Assure the coordination and quality of services by determining eligibility and directing individuals to the appropriate programs;
- Promote economy, efficiency and improve service delivery by utilizing electronic enrollment to ensure complete and accurate applications and faster eligibility determinations; and
- Maximize federal financial participation by identifying the appropriate federally supported programs which match the individuals' needs and qualifications.

The Virtual Gateway evolved out of an Electronic Medical Benefit Request (EMBR) system that was developed and piloted in 2002 at Massachusetts General Hospital, giving the department a start on the technology of gathering of electronic eligibility information for MassHealth enrollment. That system was later enhanced, assisted by Deloitte Consulting staff (who had developed a prototype internet based system for the State of Pennsylvania), and ultimately evolved into the Virtual Gateway system. The Executive Office of Health and Human Services staff spent months with representatives from multiple agencies to refine the manual system into an integrated electronic format. There were multiple challenges involved in designing a consolidated data intake format that

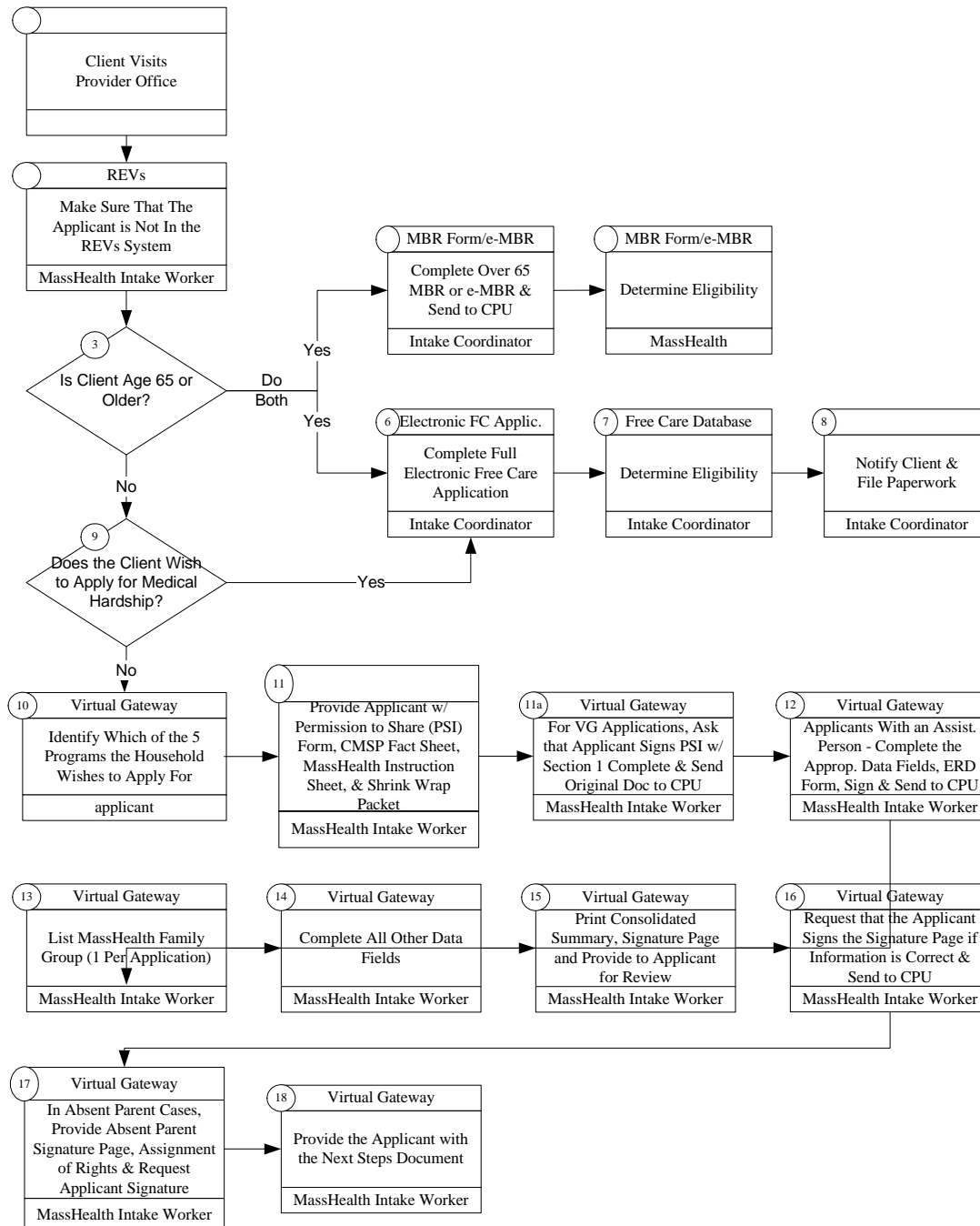
would capture the required elements from all the previous independent applications now served by the single Common Intake Data Tool in the Virtual Gateway.

Consumer accessible features of the Virtual Gateway system include a catalog of Department of Health and Human Services programs with descriptions and eligibility criteria. An eligibility and referral on-line survey is included for the public to determine simultaneous eligibility for a number of health and social service programs. Finally, an intake and common data collection tool is available for certified MassHealth hospitals and other providers to submit applications on behalf of uninsured individuals for eligibility determination for services in MassHealth, the Uncompensated Care Pool or other state programs (Food Stamps, Child Care Subsidy, WIC program, etc.). The system also allows providers to access the Recipient Eligibility Verification System (REVS) to determine if the applicant has been previously enrolled in MassHealth as well as to determine the general status of the MassHealth application. There are a number of other features that exist on the Virtual Gateway system such as case management resources, treatment planning assistance, provider data management, interpreter referral services, homeless shelter services tracking, and other features not addressed in this analysis.

Implementation

The Virtual Gateway's data collection tool was piloted in four locations, starting in August 2004. St. Francis House in Boston (shelter and rehabilitation services), Joseph Smith Community Health Center in Allston, Massachusetts General Hospital in Boston, and Community Care for Kids (child care resource and referral center) in Quincy were the pilot sites. Intake workers would enter the data directly online with the client or, if from an inpatient, by entering data from the bedside tool, using the Virtual Gateway's Common Intake Data Collection Tool. The information is then transmitted to the Central Processing Unit, checked manually, and then imported into the existing MA21 system for eligibility determination. The Virtual Gateway system as currently formatted can only be used for processing the eligibility applications of individuals (along with family members) who are not known (previously enrolled) in the MassHealth system through data included in the REVS system.

The workflow diagram below is included in the Virtual Gateway Business Process Reference Guide published by the Executive Office of Health and Human Services. It portrays the process that providers generally follow to enter individuals into the Virtual Gateway system for eligibility in MassHealth, the Uncompensated Care Pool or other state benefit programs currently connected through the Virtual Gateway system.



Current Utilization of the Virtual Gateway

The Office of the Inspector General staff met with state officials and many of the stakeholders involved in the Virtual Gateway system to assess current status, functionality and satisfaction with the system. Discussions were held with the Massachusetts Hospital Association, the Massachusetts League of Community Health Centers, representatives from the Massachusetts Chapter of the Healthcare Financial Management Association (including 12-15 hospital CFOs), representatives of Blue Cross

Blue Shield, the Blue Cross Blue Shield Foundation, the Massachusetts Medicaid Foundation, Harvard Pilgrim Health Care, the Massachusetts Association of Patient Account Management, Community Partners, MassHealth enrollment and information system development consultants, several individual hospitals, the Centers for Medicare and Medicaid Services, the Executive Office of Health and Human Services- Virtual Gateway Operations and MassHealth Operations.

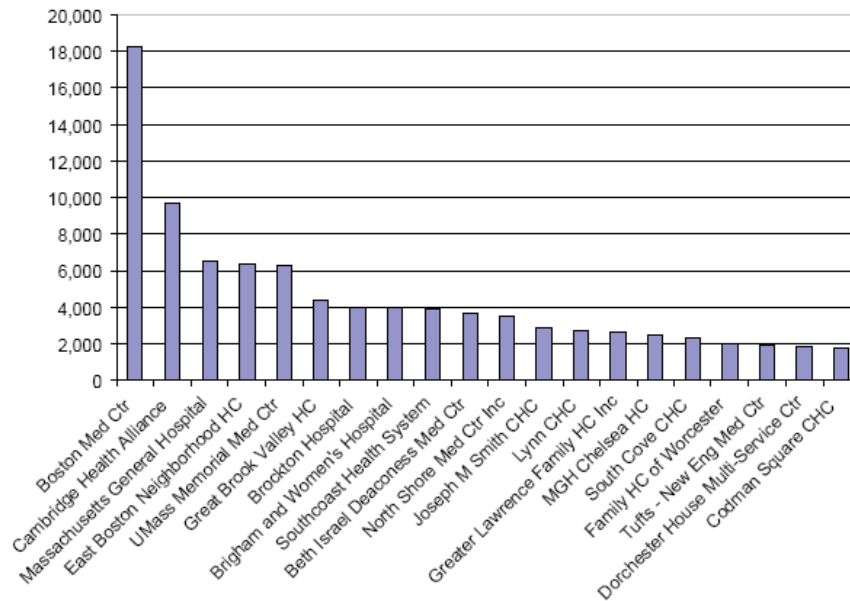
Prior to the development of the Virtual Gateway system, providers reported that they would perform a quick screening at the time clinical care was rendered to determine which coverage (MassHealth, Uncompensated Care Pool, etc.) would likely be available to the uninsured client. Following discharge from the hospital or clinic, if MassHealth was perceived to be the appropriate program, application forms were either given or mailed to individuals to complete and return directly to MassHealth, or to the provider. Applicants needed to fill out separate applications for each desired service (i.e., MassHealth, free care, food stamps, disability services, etc.). Providers indicated that quite often multiple mailings and phone calls had to be made to individuals to finally receive a filled out MassHealth application. Most times, corrections or additional information was necessary to properly complete the application for submission to the state, and MassHealth eligibility status would languish in process between the applicant, the state and sometimes the provider. For Uncompensated Care Pool clients, the providers made the eligibility determinations themselves based on information from the patients and their own income verification efforts, which were inconsistent among all the hospitals and community health centers.

The Virtual Gateway system allows (and now requires) certified MassHealth providers to become more directly involved in the applicant eligibility process through the assignment of responsibility to enter eligibility information on the Virtual Gateway for uninsured individuals not known to the MassHealth system. [If an applicant or family member has been previously enrolled in MassHealth or Uncompensated Care Pool programs, the Virtual Gateway cannot be used, at this point, to provide updated information or to process redeterminations.] For applicants seeking care in their facilities, providers now enter applicant data, check for prior eligibility, obtain applicant signatures on all necessary forms, and forward income verification data to the state. This represents an additional processing workload for providers, which had been previously performed by the state directly with the MassHealth applicant. However, many providers indicated that they are resolved to the increased workload, staffing and additional processing costs in order to facilitate a properly completed application and to obtain a more timely determination for eligibility for MassHealth coverage.

Hospitals and community health centers started using the Virtual Gateway in October 2004, with current use (as of 12/23/05) totaling 121 hospitals and community health centers and 81 individual community service providers. Over 160,000 common intake applications have been processed on the Virtual Gateway as of year-end 2005, nearly double the amount for the same period in previous years. Detailed below, from the 2005 EOHHS Virtual Gateway Annual Report, are the total MassHealth applications submitted through the Virtual Gateway system since January 1, 2005. As expected, the major Medicaid providers, Boston Medical Center, Cambridge Health Alliance, Mass General

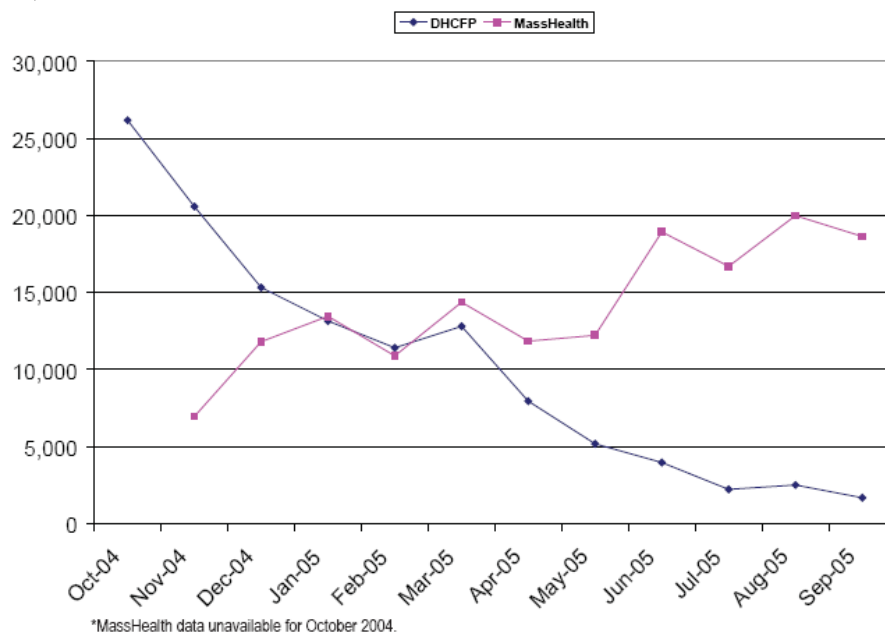
Hospital, East Boston Neighborhood Health Center and UMASS/Memorial Health Center lead the way.

MassHealth Applications Submitted by Provider Since 01/01/05



The hospitals and community health centers that traditionally serve the Uncompensated Care population submit the most applications to MassHealth using the Common Intake tool. This chart includes providers with at least 1,000 MassHealth applications.

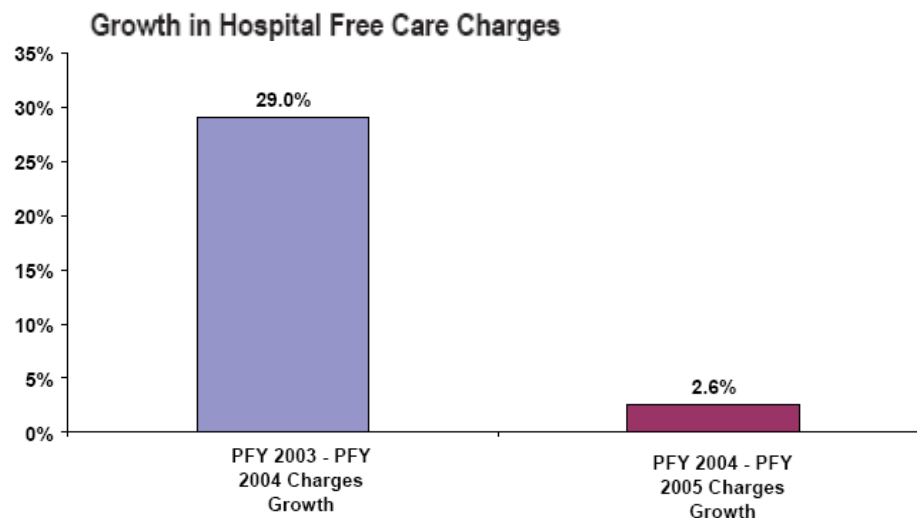
Also from the EOHHS, this chart tracks the monthly volume of new eligibility applications for the Uncompensated Care Pool processed by the Virtual Gateway since November, 2004.



Individuals using the Virtual Gateway common application to apply for the Pool must submit an application to MassHealth. This is resulting in fewer free care applications being processed by hospitals and community health centers and more applications being submitted to MassHealth through the Virtual Gateway.

The general consensus of the stakeholders contacted is that the Virtual Gateway system is now reliably functional and working well for the permitted use (only first time enrollment candidates to MassHealth or the Uncompensated Care Pool, etc.). This can be considered a very successful implementation for a new system-wide technology to be fully accepted and functional across the state in less than two years.

Among the emergency room/hospital based population, there has been an observed increase in MassHealth enrollments and a reduction in Uncompensated Care Pool usage in part because of the requirement that all uninsured patients must now submit an application for MassHealth, and the shift of the determination of free care eligibility from individual providers to the standardized MassHealth eligibility process. This is confirmed by the data collected by DHCFP and illustrated in the chart below showing reported growth rates of Uncompensated Care Pool charge comparisons from 2003-4 and 2004-5.



The growth rate in Uncompensated Pool costs dropped from 29% between 2003 and 2004 to 3.3% between 2004 and 2005. A significant portion of this decrease in Pool costs is attributed to the requirement that individuals seeking Pool coverage apply for MassHealth. Hospitals and community health centers help applicants apply for MassHealth using the Virtual Gateway common application.

Hospitals were quick to note that even though there may be more denials for free care by the standardized process utilized in the Virtual Gateway system, most individuals seeking care who do not qualify for MassHealth or uncompensated care and do not have any other healthcare coverage, remain a serious reimbursement (and eventually bad debt) problem for the hospital. This indicates that an analysis is needed to track hospital practices of utilizing Emergency Bad Debt Expense for individuals determined ineligible for MassHealth or Uncompensated Care via the Virtual Gateway's standardized process.

Issues and Challenges

There are a number of issues and challenges that have been resonating among the stakeholders involved with the Virtual Gateway. Although most of the input from the field has been positive, there are areas which have been identified that can make the

Virtual Gateway system more useful, efficient, comprehensive and functional for providers and consumers.

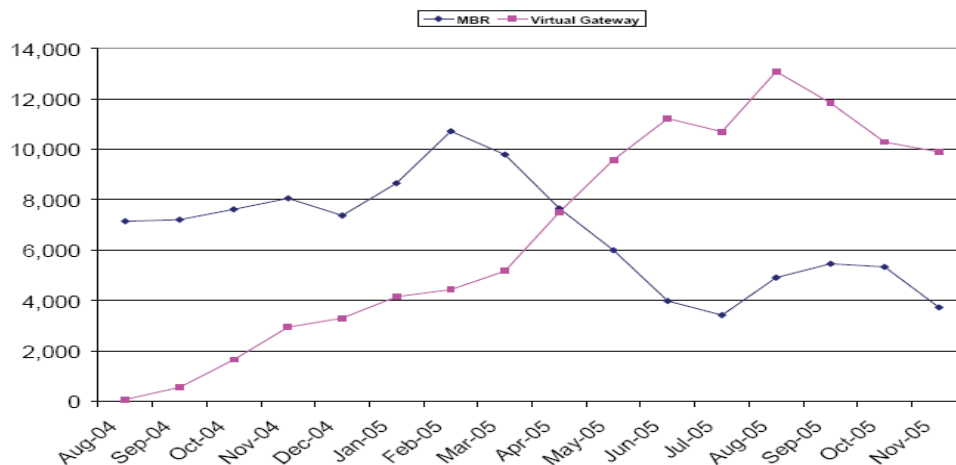
Issue 1: Acceptance of Technology

Ramp-up and Training

A key challenge to the Virtual Gateway system, convincing and then enabling the provider community to adopt a dramatic new way of eligibility determination for uninsured individuals, has already been successfully accomplished statewide. Over 120 hospitals and community health centers have processed over 160,000 common intake applications since the Virtual Gateway system became active a little over a year ago. EOHHS was very effective introducing the Virtual Gateway and making training available to over 2,500 users and stakeholders thus far around the state. The trainings the Inspector General staff attended were well organized, structured to familiarize individuals with all aspects of data input into the Virtual Gateway, and offered practical experience identifying all necessary information and choices that must be made to successfully complete eligibility determination applications for a number of different applicant scenarios.

Rapid User Acceptance

According to a December 2005 survey of provider organizations in Massachusetts by Community Partners of Amherst, MA, over 80 percent of responders indicated that they were utilizing the Virtual Gateway for 76-100 percent of their new Medical Benefit Requests (MBR) forms. Among the stakeholders contacted, there were very few technical function issues after the initial ramp up period was completed and system down time minimized. Although community health center providers had been attempting to facilitate electronic medical record integration for a long time, they were somewhat behind their hospital counterparts in technology capacity and resources, particularly those centers not directly affiliated with hospitals. A number of community health centers required additional internet and faxing capacity to meet new eligibility application performance requirements, adding new costs to already under funded budgets. The chart below from EOHHS illustrates the state-wide increase of use of the electronic Virtual Gateway over the former paper based MBR system.



More applications for MassHealth now come through the Virtual Gateway than via traditional paper-based Medical Benefit Requests.

Provider Staffing Increases

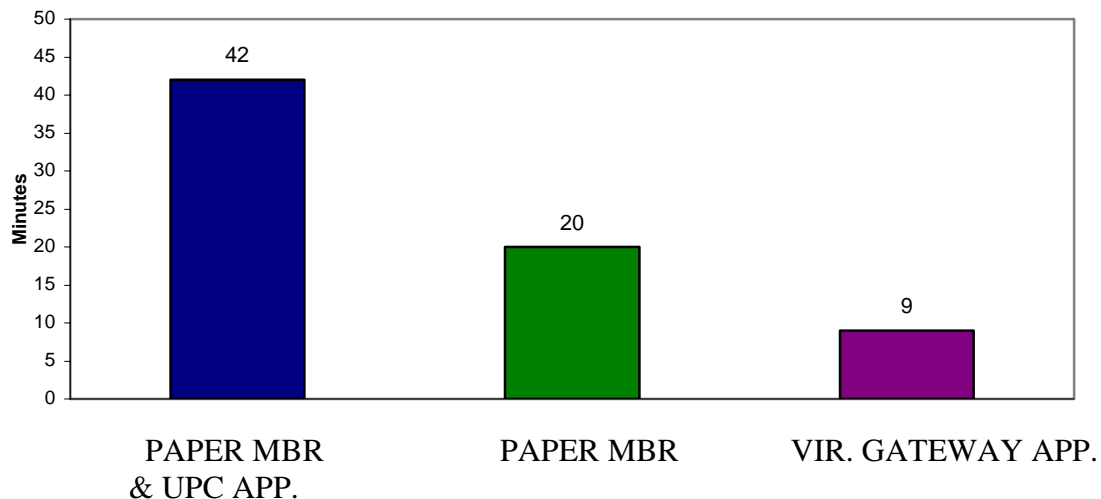
As mentioned earlier, providers have had to increase staff to assume the role of facilitator of the MassHealth application process for new applicants. Providers must now enter the data from individual clients on the Virtual Gateway, collect and mail in signature pages and collect and fax income verification data to the state. This may involve days or weeks of follow-up efforts with individual clients or families until all the data is complete and forwarded.

Issue 2: Processing of Eligibility Approvals

Application Completion Time and Client Compliance

The majority of new eligibility applications for MassHealth and Uncompensated Care are now being processed by the Virtual Gateway system. This has enabled providers to work more quickly to complete uncomplicated applications with clients. Below, charts from EOHHS indicate that as of mid-2005, application completion time had been reduced from 42 minutes with the manual MBR system to 9 minutes utilizing the Virtual Gateway. This has been confirmed by our discussions with providers in the field.

AVERAGE COMPLETION TIME FOR MASSHEALTH APPLICATIONS



Providers have also stated that clients are more likely to comply with application and income verification requirements with staff assistance on the Virtual Gateway system because they are no longer struggling with completing the manual application on their own.

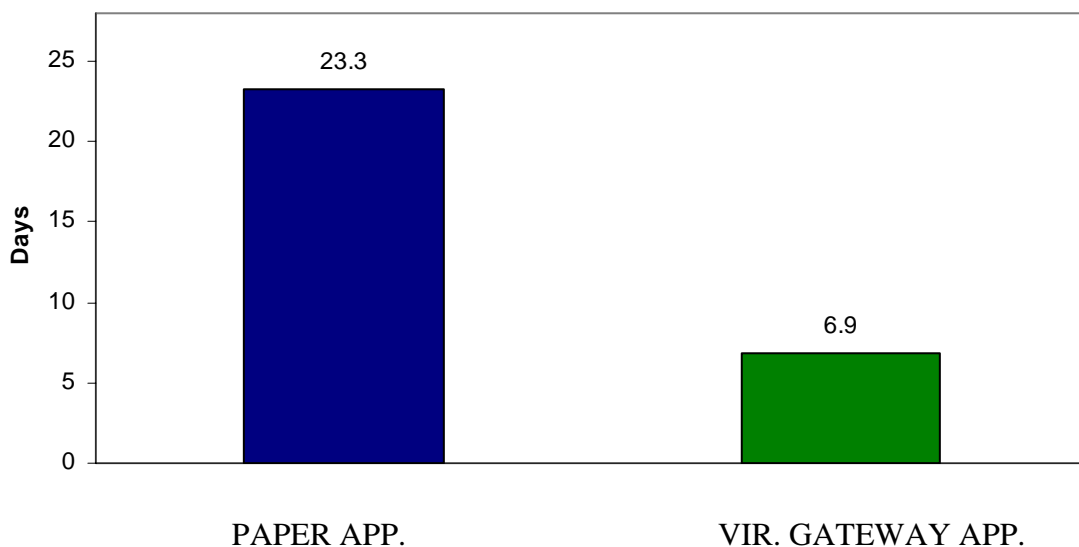
Eligibility Processing Time

Eligibility processing time is a critical issue because providers have confirmed that many individuals will delay necessary treatment due to costs. According to a study conducted by the Access Project, 28 percent of uninsured Massachusetts residents in 2003 reported delaying or forgoing care due to costs or health insurance eligibility issues.

This type of delay can cause increased severity of illness and cost of treatment, increased loss of workdays, and the resulting increased financial toll on the family, workplace, and the eventual healthcare payer.*

Average processing time of eligibility determinations, according to providers asked about the impact of the Virtual Gateway system, has improved from four to six weeks (or longer) with the former manual system to five to seven days for uncomplicated applications with the Virtual Gateway. EOHHS confirmed those statistics indicating that the average eligibility determination processing time of the manual MBR system took over three weeks compared to under seven days in the Virtual Gateway system. Complicated or questionable applications can take much longer. Boston Medical Center reports that almost 50 percent of applicants are determined within 14 days, however, over 40 percent are delayed to between 4 and over 13 weeks.

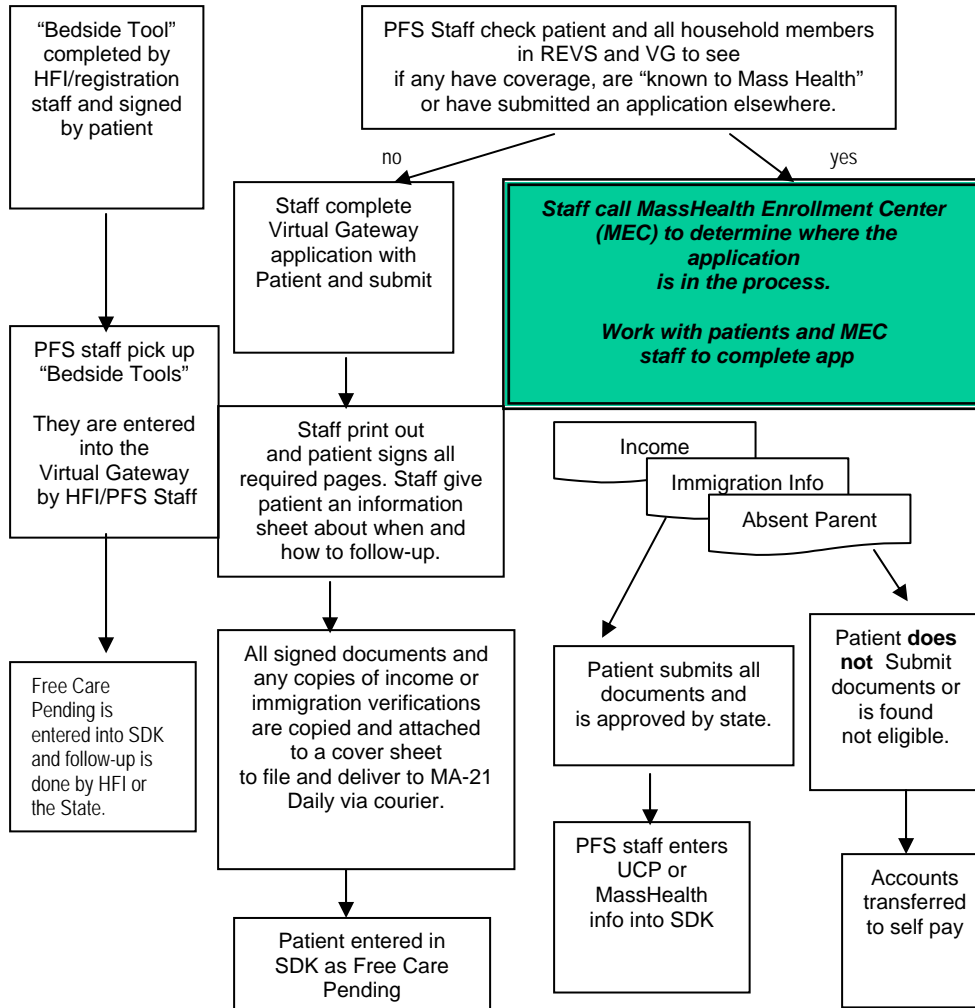
AVERAGE PROCESSING TIME FOR ELIGIBILITY DETERMINATIONS



Boston Medical Center has charted their internal workflow of processing Virtual Gateway applications. The green area represents potential delays in processing eligibility application. This occurs when the application must be processed through the regional MassHealth Enrollment Center (MEC) because either the applicant is known to the MassHealth system (previously enrolled) or requires changes or redetermination after a year of eligibility.

[* Carol Pryor and Deborah Gurewich. "Getting Care But Paying the Price: How Medical Debt Leaves Many in Massachusetts Facing Tough Choices." *The Access Project: Boston*, 2004. p.5].

BOSTON MEDICAL CENTER FREE CARE PROCESS FLOW UTILIZING VIRTUALGATEWAY



Regional MassHealth Enrollment Center Delays

Other providers have complained that phone calls to the MECs commonly put on hold for extended periods of time, voice mails are full or not returned on a timely basis, and e-mails are also not reliably answered. This presents a problem also when the provider staff need to communicate with the MEC about all applicants that cannot be enrolled on the Virtual Gateway, such as if any family member is known to REVS system, or about Uncompensated Care Pool eligibility issues, which were previously determined solely by the providers. It has been reported that staff who previously manned the MECs and were assigned to assist designated providers, have been reassigned in recent months. As an increasing number of MassHealth and free care applications are not able to be processed on the Virtual Gateway system, following a year of eligibility for the thousands of newly enrolled clients last year, this reduction of support in the MECs may become a more prominent problem that will need to be addressed.

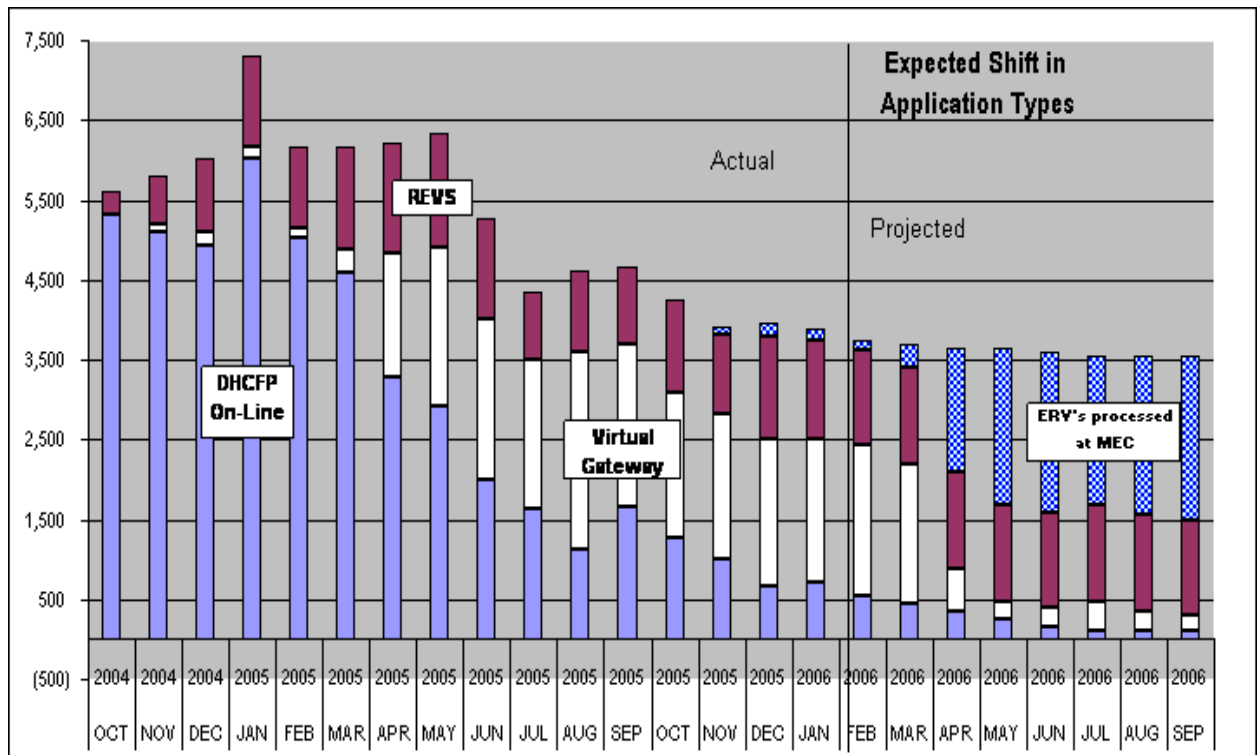
Issue 3: Virtual Gateway Utility

Since acceptance has been so universal and positive, several stakeholders have now commented on the desired *expansion* of technology of the current system, both in scope of application for the eligibility and enrollment functions as well automating more of the back-end processing of the MassHealth applications. According to EOHHS, there have been significant and ongoing improvements in some of these areas which will become evident to the stakeholders in the near future.

Accommodations for Redeterminations, Updates and Changes

Two charts below track the increasing utilization of the Virtual Gateway by two different sized medical centers (Boston Medical Center and Lawrence General Hospital). Concern expressed by both hospitals is that the number of new enrollees that can be serviced by the Virtual Gateway system will start to diminish after one year of use because annual redeterminations and updates for both MassHealth and Uncompensated Care applications cannot be processed on the system. This is illustrated by the projected shift in application types to the right of the Boston Medical Center graph showing anticipated diminished use of the Virtual Gateway system following one full year of extensive use of the new system (April 2005 to April 2006) for a majority of their uninsured clients.

BOSTON MEDICAL CENTER USE OF VIRTUAL GATEWAY SYSTEM 2004-2006

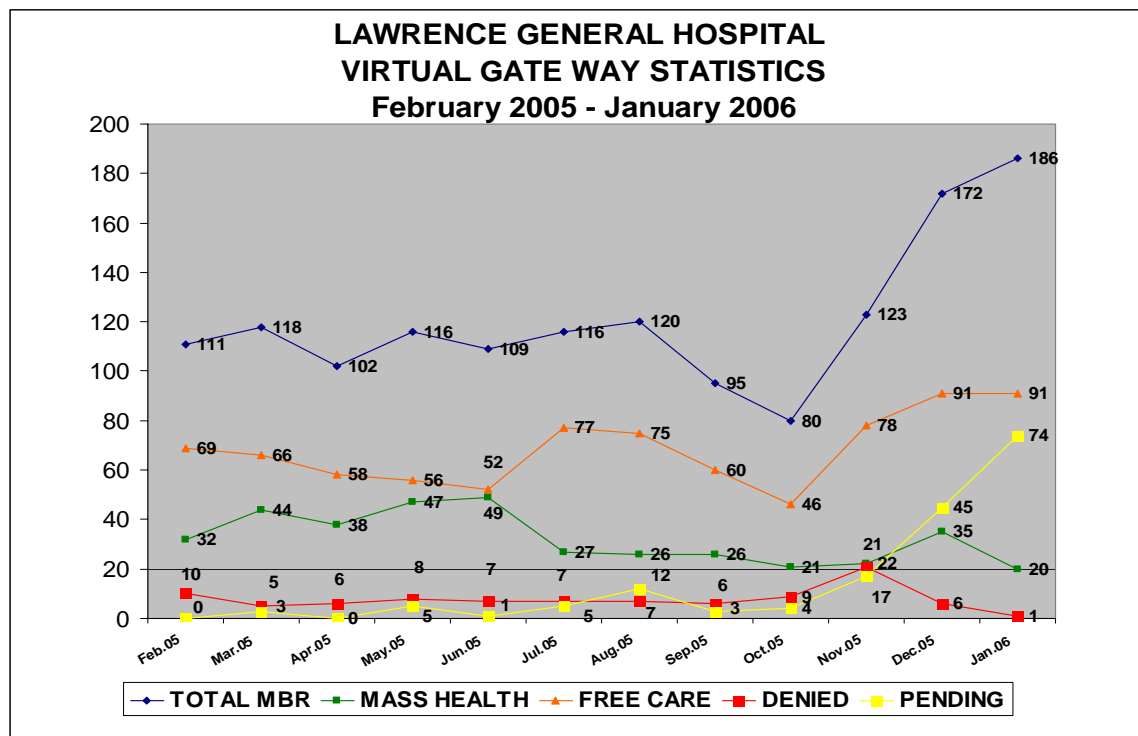


Also illustrated in the above chart from Boston Medical Center, the decreased monthly volume of MassHealth applications in total (i.e., from as high as 7,300 new monthly applications in March 2005, to an average of 3,500 projected for each of the first six months of 2006) is mainly due to the one-year term of approval for Uncompensated Care

Pool eligibility for an applicant on a statewide basis from any provider using the Virtual Gateway System, versus the hospital by hospital incidental approval required in the past.

At Boston Medical Center, of all the Virtual Gateway MassHealth applications submitted since June 2005, 63 percent were ultimately approved for full Uncompensated Care, 8 percent for Partial Uncompensated Care, 20 percent for some form of MassHealth benefits, and the remaining 9 percent of applications were either denied or closed.

At Lawrence General Hospital, statistics tracking the use of the Virtual Gateway for the last year (February 2005- January 2006) are illustrated in the chart below. Hospital staff indicated that the low volume of new applications are likely due to the other major provider in the area, the Greater Lawrence Family Health Center, which processes many more Virtual Gateway MassHealth applications than the hospital in its four locations within the greater Lawrence community. Like most other providers, Lawrence General Hospital added staff to perform the application, data input and follow-up duties now required of the hospital in the Virtual Gateway system, to help enroll clients in either MassHealth or the Uncompensated Care Pool. For those applications that require follow-up, over 30% of all mailings to individuals, who have been recently treated in the hospital and are applying for MassHealth Benefits, are returned undeliverable to the hospital. Staff must track down these individuals and successfully complete the application in order for the hospital to receive reimbursement for the care rendered.



Hospital staff indicate that the spike in MBR application volume at Lawrence General over the past few months is due primarily to more staff resources assigned to the Emergency Department to process Virtual Gateway applications during the patient visit. Additionally, recent increases in unemployment in the area and the higher use of more

intensive services at the hospital (versus the community health center) during the winter months may have led to increased volume.

Issue 4: Virtual Gateway Structural Issues:

The Virtual Gateway application process contains a few other problematic and time consuming structural issues whose resolution are key to provider long term support.

Signature Pages

Providers complain that the applicant signature page generated by the Virtual Gateway system once the application is complete must still be handled manually by mail to MassHealth, despite the ability to electronically process all other aspects of the application. MassHealth indicates that there are certain legal requirements from CMS for original signatures on Medicaid enrollment documents. However, providers point out that electronic or scanned signatures are currently utilized in the Registry of Motor Vehicles and accepted by Medicare for Part D enrollment. Providers wish to have this capability available to them for cost savings and timeliness of completion of the applications. There have also been complaints that three days may not be enough time to obtain and send a client signature on an application.

Income Verification

Applicant income verification data must also be processed manually by the providers by being faxed or mailed to MassHealth, even though many times that data is available electronically and could easily be transferred or forwarded to MassHealth by the employer.

Mailed Notices

Another major issue involves notification to the applicant and hospital about eligibility, changes, address confirmation and/or redetermination due dates. Currently, the state mails hundreds of thousands of notices to applicants (and copies to providers) on a continuous basis to communicate necessary actions on the part of applicants to maintain or update their eligibility status. Providers have very high undeliverable rates on their mailings to uninsured clients (over 30 percent) and they feel the state may have even higher undeliverable rates, making confirmation and continuation of eligibility difficult. The state has implemented multiple steps in the contact process involving undeliverable mail and terminated eligibility, and has stated that reinstatement is swift once communication has been re-established. However, retroactive reinstatement is limited to a short window, putting provider charges at risk of denial during this non coverage period. Providers would prefer to receive their copy of MassHealth notices to clients electronically, so they can be transferred into a data base for more efficient and effective follow-up with clients.

Problems also occur when numbers of homeless clients do not consistently receive mailed information. Further, it has been reported that the clients are sometimes confused with the messages in notices believing denial of MassHealth means denial for free care as well.

Client Tracking and Status Checks

MassHealth enrollment consultants have reported that thousands of Virtual Gateway applications are submitted but remain unresolved due to:

- Applicant's refusal to send documents
- Applicant's inability to send documents
- Mail is returned to MassHealth as undeliverable
- Discrepancy with Virtual Gateway and Department of Revenue

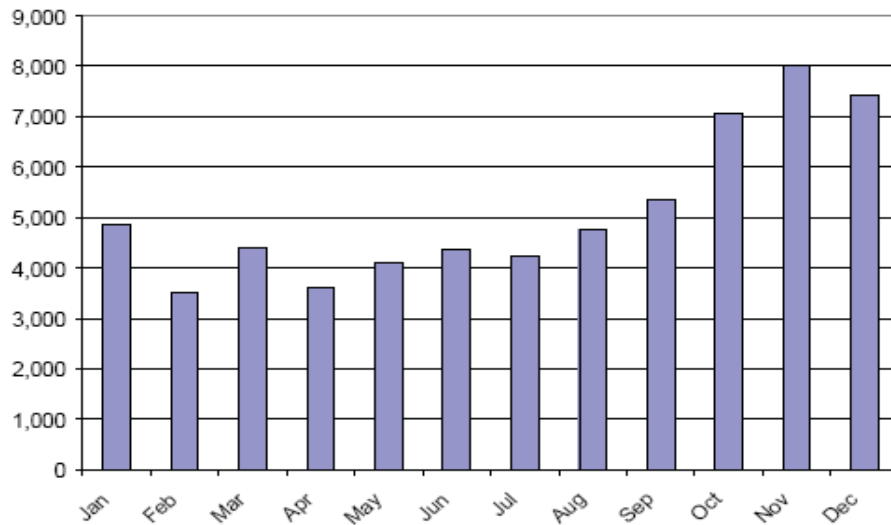
Providers have indicated that they seek an increased capacity to track applicant eligibility status through REVS to see if there is something they can do to help resolve issues and speed up approvals. Currently, the system does not specify what has caused the pending or denied status, and thus, identify whose responsibility it is to resolve the delay.

Additionally, expanded tracking ability will assist providers when the client has started a MassHealth application with another provider and the start date of eligibility becomes an issue for reimbursement. It is also necessary to create an effective tracking system for the manual applications as well, since more applications involved in redetermination will be using only the manual system in the near future.

Client Direct Access to the Common Intake Tool

The current Virtual Gateway system requires a certified MassHealth provider or intake coordinator to complete the application process with the individual and/or family member(s), usually indicating that the applicant needs to be ill or involved in medical treatment for access to enrollment into MassHealth or the Uncompensated Care Pool on the Virtual Gateway to be initiated. This precludes the opportunity for access to information about the full compliment of health, prevention, social support services, etc., available to eligible individuals via the Virtual Gateway.

There is a publicly accessible Virtual Gateway Screening Tool which enables applicants to directly determine which benefits they would qualify for on the Virtual Gateway website after answering a series of questions. This tool has been increasingly used by many potential applicants (60,000) over the last year (see chart from EOHHS below). Since the Virtual Gateway system is working well and applicants have had increasing experience using the Screening Tool, stakeholders have recommended that clients have direct access to the Common Intake Tool to be able to self-enroll in MassHealth Health Insurance and Health Assistance Programs, Food Stamp Benefits, Women's Health Network, WIC services, and other programs available through the Virtual Gateway. This would assist eligible clients in gaining access to helpful social benefits before the onset of illness or deterioration of health.



As of December 2005, over 60,000 screening surveys checked for potential eligibility for one or more EOHHS programs. Screening Tool use has increased since additional programs were added in September 2005. The Screening Tool tracks only the number of completed surveys and aggregate numbers for programs for which applicants appear to and do not appear to qualify.

Issue 5: Validation and Quality Improvement Process:

An initial recommendation, included in the previous report of Ongoing Review of the Uncompensated Care Pool from the Office of Inspector General, involved conducting an in-depth performance review of the effectiveness of the Virtual Gateway system based on concerns expressed by stakeholders. Since last fall, when the report was issued, many providers were still becoming familiar with the new process of enrolling individuals in MassHealth, as well as having to obtain approval for Uncompensated Care Pool clients. Initial concern from stakeholders was that the system did not have validation checks to assure that individual applications for both MassHealth and the Pool were being properly assessed for eligibility or denial.

Discussions were held on this topic with MassHealth officials as well as the Deloitte staff involved in the design and construction of the Virtual Gateway system. Since the Virtual Gateway application process is designed to not accept an incomplete application for processing, many errors have been minimized on the front end. MassHealth reports that upon receiving applicant information, several verification checks are performed with the Social Security Administration and the Department of Revenue for Social Security number, income verification, quarterly bank match, quarterly wage match and existing third party health insurance coverage matches. DOR matching is currently processed every 14 days, and MassHealth is seeking to move to real-time with DOR for daily matching for quicker eligibility determination. Every 60 days, information in the MA21 eligibility system is being updated for third part insurance information, death notices, and other items which would affect continued MassHealth or Uncompensated Care Pool eligibility.

Staff at Deloitte stated that the Virtual Gateway system design had undergone a rigorous series of validity tests for accuracy and performance evaluation. Tests had been conducted against the MA21 system for known problems in enrollment and eligibility including a regression test on end to end information validity. The MA21 system checks data on applications for completeness and invokes a series of decision trees that assess the applicant's eligibility for the various MassHealth benefit plans and determines which of these plans offers the applicant the most comprehensive coverage. Deloitte staff indicate that the validity testing and quality assurance process Massachusetts has undertaken on the Virtual Gateway system is the most comprehensive they have seen in the seven states that Deloitte has helped to design internet base eligibility and enrollment systems.

Actual denial rates experienced by providers on the Virtual Gateway have been relatively low (i.e., 1% at Lawrence General Hospital and 4 percent at Boston Medical Center), however, as indicated earlier, more study is necessary to determine if a larger population of ineligible uninsured individuals is being defaulted by hospitals into the Emergency Bad Debt category.

Conclusion

The state has significantly improved the process of eligibility determination and enrollment of uninsured individuals and family members into MassHealth, other state and federally subsidized programs, and the Uncompensated Care Pool by the development and effective implementation of the Virtual Gateway system. By involving all certified MassHealth providers in assisting applicants in the MassHealth enrollment process, the state has improved the quality and completeness of applications and enabled significantly more eligible individuals to have access to the full complement of MassHealth benefits.

Statistics have confirmed a significant increase in MassHealth enrollments and a decrease in Uncompensated Care Pool admissions through eligibility determinations processed by the Virtual Gateway system. Further study is necessary to analyze the impact on the Emergency Bad Debt expense area for individuals determined to be ineligible for MassHealth or the Uncompensated Care Pool through the Virtual Gateway system.

Key areas of improvement and expansion to the Virtual Gateway system can improve processing time, client access to services, and reduction of provider and state costs.

- 1. Expanding the capability of the Virtual Gateway system to allow providers to process client eligibility redetermination applications and update changes in client information;**
- 2. Allowing authorized providers to track client eligibility status;**
- 3. Accepting electronic data for client signatures and income verification information;**

- 4. Providing electronic notification to providers of client eligibility status, MassHealth benefit termination and upcoming annual enrollment renewal dates;**
- 5. Expanding direct access for client/applicants to the Virtual Gateway common intake tools and application for self enrollment;**
- 6. Resolving issues concerning about Regional MassHealth Enrollment Centers' staffing shortages, and communication and follow-up delays affecting eligibility determinations; and**
- 7. Analyzing the impact that the Virtual Gateway's standardized Uncompensated Care Pool eligibility determinations have had on hospital practices to utilize the Emergency Bad Debt Expense category for ineligible uninsured individuals.**

Finally, EOHHS, MassHealth Operations and the Virtual Gateway Operations staff should be complimented on an outstanding initial design process and very effective statewide implementation of the Virtual Gateway system, which dramatically changed and improved the way individuals access healthcare and social service benefits.